

Service Date: March 13, 2002

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

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IN THE MATTER Of The Application)	UTILITY DIVISION
Of HAVRE PIPELINE COMPANY)	DOCKET NO. D2001.7.99
To Increase Rates and Charges)	ORDER NO. 6373a
To Its Farm Tap Customers.)	

* * * * *

ORDER GRANTING RATE INCREASE

APPEARANCES

FOR THE APPLICANT:

Lee Johnson, District Operations Manager, Ocean Energy , PO Box 2606, Havre, Montana 59501.

FOR THE INTERVENORS:

Tom Muri, Staff Attorney, Montana Consumer Counsel, 616 Helena Avenue, PO Box 201703, Helena, Montana 59620-1703.

FOR THE COMMISSION:

Martin Jacobson, Staff Attorney, 1701 Prospect Avenue, PO Box 202601, Helena, Montana 59620-2601.

G. Joel Tierney, Utilities Engineer, 1701 Prospect Avenue, PO Box 202601, Helena, Montana 59620-2601.

BEFORE:

Gary Feland, Commissioner and Hearings Examiner

BACKGROUND AND FINDINGS OF FACT

1. On July 30, 2001, the Montana Public Service Commission (PSC) received an Application from Havre Pipeline Company (Havre) for authority to increase rates and charges for natural gas service to its Montana rural farm tap customers. Pursuant to Havre's application, the new rate for natural gas service to these customers would be \$4.9504 per MCF, an increase of \$2.9206 per MCF from the current rate of \$2.0298 per MCF. This increase would affect approximately 130 customers, for an average annual farm tap gas bill increase of \$1,033.00.

2. On August 8, 2001, the PSC issued a Notice of Application and Intervention Deadline with Petitions to Intervene due on August 25, 2000. The PSC received numerous written comments from consumers but mainly a protest from the Montana Land and Mineral Owner's Association (Owners). The PSC also received a request to intervene from the Montana Consumer Counsel. On January 10, 2002, a hearing was held in Havre, Montana at Triangle Telephone Cooperative.

3. At the hearing, Lee Johnson, Havre's District Manager explained Havre's position in the case and also talked about a settlement agreement reached between Havre and Owners. The PSC also took public testimony on the case from various customers on the Havre system. Finally, Herb Vasseur of the Owners presented the settlement reached between themselves and Havre.

4. The settlement entered into sets Havre's sales rate at \$3.28 per MCF which represents a \$1.2502 increase from the current rate of \$2.0298. Having reviewed this settlement, the PSC finds that this increase is just and reasonable,

and hereby accepts it.

CONCLUSIONS OF LAW

1. The Applicant, Havre Pipeline Company, is a public utility as defined in Section 69-3-101, Montana Code Annotated (MCA). The Montana Public Service Commission properly exercises jurisdiction over public utilities, pursuant to its authority under Title 69, Chapter 3, MCA.

2. The PSC has provided adequate public notice and an opportunity to be heard as required by Section 69-3-303, MCA, and Title 2, Chapter 4, MCA (Montana Administrative Procedures Act).

3. The rates and rate structure in this order are just and reasonable. Sections 69-3-201 and 69-3-330, MCA.

ORDER

IT IS HEREBY ORDERED THAT:

1. The PSC approves the rates and tariffs for Havre Pipeline Company, which shall be effective for service rendered on and after January 29, 2002.

DONE IN OPEN SESSION at Helena, Montana on this 29th day of January, 2002 by a 5-0 vote.

BY THE ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

GARY FELAND, Chairman

JAY STOVALL, Vice Chairman

BOB ANDERSON, Commissioner

MATT BRAINARD, Commissioner

BOB ROWE, Commissioner

ATTEST:

Rhonda J. Simmons
Commission Secretary

(SEAL)

NOTE: Any interested party may request that the Commission reconsider this decision. A motion to reconsider must be filed within ten (10) days. See 38.2.4806, ARM.